

## Message Text

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PAGE 01 PEKING 01828 160206Z  
ACTION EB-08

INFO OCT-01 EA-10 ISO-00 DODE-00 NSAE-00 ICA-11  
TRSE-00 SOE-02 DOE-15 CIAE-00 COME-00 SP-02 MCE-00  
/049 W

-----090153 161102Z /15

R 150920Z JUN 78  
FM USLO PEKING  
TO SECSTATE WASHDC 1091  
INFO AMCONSUL HONG KONG  
AMEMBASSY TOKYO

C O N F I D E N T I A L PEKING 1828

E.O. 11652: GDS  
TAGS: EGEN EQUIP CH US

COMPUTER SALES BY SPERRY UNIVAC

SUMMARY. SPERRY UNIVAC SIGNED CONTRACTS JUNE 14  
FOR TWO UNIVAC 1100/11 COMPUTERS, VALUED AT \$5 MILLION.  
ONE WILL BE USED AT AN "INSTITUTE OF SCIENCE  
AND TECHNOLOGY" IN PEKING FOR TRAINING UNIVERSITY UNDER-  
GRADUATES AND THE OTHER WILL BE USED AT THE PEKING  
DOCUMENTATION SERVICE. FIRM ALSO BIDDING FOR SALE  
OF LARGER COMPUTER TO STATE SEISMOLOGICAL BUREAU,  
BUT BROKE OFF DISCUSSIONS BECAUSE THEY DID NOT FEEL  
THEY COULD OBTAIN US EXPORT LICENSE. USLO RECOMMENDS WASHINGTON  
AGENCIES REVIEW WITH SPERRY UNIVAC CONFIGURATION OF COMPUTER SYSTEM  
FOR SEISMOLOGY RESEARCH WE ARE WILLING TO APPROVE, USING HITACHI  
CASE AS BENCHMARK. END SUMMARY.

1. SPERRY UNIVAC REPRESENTATIVES SIGNED CONTRACTS WITH THECHINA  
NATIONAL MACHINERY IMPORT AND EXPORT  
CORPORATION (MACHIMPEX) ON JUNE 14 FOR SALE OF TWO  
UNIVAC 1100/11 COMPUTERS. TOTAL VALUE OF SALE  
APPROXIMATELY \$5 MILLION. ACCORDING TO SPERRY UNIVAC  
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REPRESENTATIVES, ONE COMPUTER WILL BE USED IN AN  
"INSTITUTE OF SCIENCE AND TECHNOLOGY" IN PEKING FOR  
TRAINING OF UNIVERSITY UNDERGRADUATES. ANOTHER  
COMPUTER WILL BE USED BY THE "PEKING DOCUMENTATION  
SERVICE" FOR UNSPECIFIED PURPOSES. DELIVERY WILL BE  
IN APPROXIMATELY ONE YEAR. CONTRACT INCLUDES TRAINING  
PROGRAM IN US FOR CHINESE TECHNICIANS. MACHIMPEX

DELEGATION IS ARRIVING IN THE US THIS MONTH TO VISIT SPERRY UNIVAC FACILITIES.

2. SPERRY UNIVAC OFFICIALS WILL SHORTLY BE APPLYING FOR US EXPORT LICENSE. USLO URGED REPRESENTATIVES IN PEKING TO FIND OUT AS MUCH AS POSSIBLE ABOUT END-USE OF EQUIPMENT, BUT WE DO NOT KNOW HOW MUCH SUCCESS THEY HAD.

2. SPERRY UNIVAC ALSO HELD DISCUSSIONS WITH MACHIMPEX FOR SALE OF COMPUTER WITH MUCH LARGER MEMORY CAPACITY FOR USE BY THE STATE EISMOLOGICAL BUREAU FOR EARTHQUAKE PREDICTION. SPERRY UNIVAC EVENTUALLY BORKE OF DISCUSSIONS BECAUSE THEY DID NOT FEEL THEY COULD OBTAIN EXPORT LICENSE FOR COMPUTER CONFIGURED AS CHINESE REQUESTED. MACHIMPEX STATED THEY DID NOT UNDERSTAND SPERRY UNIVAC'S POSITION SINCE THEY CLAIMED THAT COMPUTER SYSTEMS FOR METROLOGICAL WORK SOLD BY HITACHI WAS MUCH LARGER THAN UUS FIRM EVEN WILLING TO DISCUSS. ACCORDING TO SPERRY UNIVAC, REPRESENTATIVES OF ICL (BRTISH FIRM), HITACHI, AND PERHAPS CDC ARE ALSO IN PEKING DISCUSSING THIS SALE. (MACHIMPEX HAD INDICATED A PREFERENCE FOR SPERRY UNIVAC SYSTEM.) USLO RCOMMENDED THAT SPERRY UNIVAC DISCUSS HITACHI SALE WITH COMMERCE/OEA AND OTHER CONCERNED AGENCIES IN WASHINGTON.

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5. COMMENT: WE BELIEVE STRONGLY THAT US COMPUTER FIRMS SHOULD NOT RPT NOT BE PLACED AT A COMPETITIVE DISADVANTAGE VIS-A-VIS FOREIGN MANUFACTURERS. USSHOULD BE PREPARED TO

LICENSE SALES FOR US FIRMS EQUIVALENT TO HITACHI SALE, ASSUMING END-USE AND OTHER CONDITIONS CAN BE MET. WE RECOMMEND USG AGENCIES REVIEW WITH SPERRY UNIVAC ON PRIORITY BASIS SIZE AND CONFIGURATION OF COMPUTER SYSTEM US WILLING TO CONSIDER FOR LICENSING FOR SEISMOLOGICAL RESEARCH, USING HITACHI CASE AS BENCHMARK.

6. ABOVE INFORMATION IS COMMERCIALLY SENSITIVE.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Draft Date:** 15 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Comment:** 25 YEAR REVIEW  
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**TAGS:** EGEN, EQIP, CH, US, SPERRY UNIVAC  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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